

May 13, 2022

OPEN MEETING AGENDA ITEM

Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

RE: Comments of the Institute for Local Self-Reliance Supporting Community Solar in Arizona, Docket Nos. E-01345A-21-0240 and E-00000A-22-0103

Dear Chairwoman Márquez Peterson and Members of the Arizona Corporation Commission,

The Institute for Local Self-Reliance (ILSR) respectfully submits the following comments on the development of a community solar program. In short, ILSR supports Commissioner Kennedy's proposed Amendment #1 in the APS REST Implementation docket. As proven in Minnesota, a single-utility community solar program is a pathway to building distributed solar capacity and extending the benefits of solar to more residents, businesses, and public entities. We also support the simultaneous discussion of community solar in a separate docket, as brought forth by Chairwoman Márquez Peterson.

Arizona has an enormous untapped potential for solar electricity generation. By ILSR's estimates, the state could provide for 43 percent of its electricity use through rooftop solar alone.¹ However, individuals face many barriers to installing rooftop solar: they must be homeowners, have a suitable rooftop, and pay for the panels upfront. Designed intentionally, a community solar policy helps customers overcome barriers to solar adoption, especially for low-income customers. Minnesota's Solar* Rewards Community program, which only applies to Xcel Energy, leads the nation in installed community solar capacity. As of February 2022, more than 24,861 of Xcel Energy's residential Minnesota customers are saving money with a community solar subscription.² In contrast, there are an estimated 8,085 residential net metering customers in the state of Minnesota.³

As part of a community solar program, an individual or entity can subscribe to a solar garden and receive credits for that garden's output on their electricity bill. Through the application of these credits, community solar programs can direct the benefits of solar toward utility customers that face the highest energy burden (spend the largest portion of their income on energy). Their

¹ ILSR, Energy Self-Reliant States 2020, <https://ilsr.org/report-energy-self-reliant-states-2020/>.

² ILSR, "Why Minnesota's Community Solar Program is the Best," <https://ilsr.org/minnesotas-community-solar-program/>.

³ U.S. Energy Information Administration, Form EIA-861M, <https://www.eia.gov/electricity/data/eia861m/>.

bills become stable, more affordable, and they experience greater energy security. Still, subscribers are not the only ones benefiting from community solar. In 2015, ILSR estimated that Xcel Energy's Solar* Rewards Community program would save all utility customers nearly 11 million dollars that year.⁴

Community solar can scale quickly and can be installed where it most benefits the grid. Since solar generation mostly coincides with peak electricity demand, community solar can shave peak demand. As it is located closer to the people it serves, community solar saves on transmission losses and infrastructure upgrades. A community solar program also creates local jobs. In a regulatory filing, Xcel Energy estimated that a one million dollar investment in rooftop solar would create 30 times more jobs than a one million dollar investment in utility-scale solar.⁵ That ratio might be smaller comparing community solar to utility-scale solar, but there are still a significant number of jobs created. In 2018, four years into Minnesota's Solar* Rewards Community program, 'solar installer' was the fastest growing job in the state of Minnesota. Most of the state's new solar installer jobs were in community solar.⁶

19 states have enabled community solar. ILSR is excited to apply lessons learned elsewhere in the proposed working group and we appreciate the Commissioners' consideration. Enabling community solar at APS would benefit Arizona customers and boost the state's solar industry – as, of course, would enabling community solar for all utilities.

Thank you for the opportunity to comment and for taking up this important conversation.

Sincerely,

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⁴ Note: Minnesota's Value of Solar has differential compensation for residential, commercial, and industrial customers. Calculation by ILSR, "Minnesota Community Solar Saves All Utility Customers Money," <https://ilsr.org/minnesota-community-solar-saves-all-utility-customers-money/>.

⁵ ILSR, "30 Times More Jobs from Rooftop Solar, Utility Filing Says," <https://ilsr.org/30-times-more-jobs-from-rooftop-solar-utility-filing-says/>.

⁶ ILSR, MnSEIA, and Vote Solar, "Minnesota's Solar Gardens: The Status and Benefits of Community Solar," https://votesolar.org/wp-content/uploads/2021/01/VS-Minnesota-Solar_Gardens-2019-Report.pdf.